

## Exhibit E – Part 1

REDACTED

Calistoga, CA 94515

February 1, 2006

RE: Disability Policy No. 1257-758

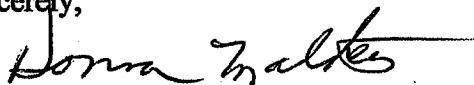
Elaine Bourg  
Claims Associate  
Individual Administration  
Box 60219  
New Orleans, LA 70160-0219

Dear Ms. Bourg,

I am enclosing my W-2 form for 2005, along with the tax returns, as requested, for 2003 and 2004 because my family lived and worked in Spain from August 2003 to September 2004. Consequently, my income for that time period was significantly reduced, and I believe my W-2 tax form will provide a better representation of my income.

Please do not hesitate to contact me if you have any further questions. I waited to send all this information until I received my W-2 form.

Sincerely,



Donna Mathews



REDACTED

PAL 0874

4562

OMB No. 1545-0172

# **Depreciation and Amortization** (Including Information on Listed Property)

See separate instructions.  
Attach to your tax return.

2004

67

Identifying number

REDACTED 7463

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Business or activity to which this form relates

FORM 2106 - ARTHUR J. MATHEWS (TEACHER)

## **Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$410,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

## **Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election (see instructions).	15	
16	Other depreciation (including ACRS) (see instructions).	16	

## **Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

### **Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2004.	17	218.
18	If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

### **Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

### **Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

## **Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	218.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD120812L 09/30/04

Form 4562 (2004)

REDACTED

PAL 0875

b Employer ID no. (EIN) 68-0369062		3 Social security wages 71811.50		4 Social security tax withheld 4452.31	
		5 Medicare wages and tips 71811.50		6 Medicare tax withheld 1041.27	
c Employer's name, address, and ZIP code BROWNS VALLEY DENTAL 3257 BROWNS VALLEY ROAD NAPA, CA 94558					
d Employee's social security number REDACTED 4454					
e Employee's name, address, and ZIP code DONNA R DUPELL-MATHEWS REDACTED CALISTOGA, CA 94515					
7 Social security tips		8 Allocated tips		9 Advance EIC payment	
10 Dependent care benefits		11 Nonqualified plans		12a Code See inst. for box 12 D 3481.59	
13 Statutory employee		14 Other CASDI 775.56		12b Code	
Retirement plan X				12c Code	
Third-party sick pay				12d Code	
CA 321 6506 0		68329.91		2343.93	
15 State Employer's state ID no.		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form W-2 Wage and Tax Statement **2005** Dept. of the Treasury -- IRS  
This information is being furnished to the Internal Revenue Service.

b Employer ID no. (EIN) 68-0369062		3 Social security wages 71811.50		4 Social security tax withheld 4452.31	
		5 Medicare wages and tips 71811.50		6 Medicare tax withheld 1041.27	
c Employer's name, address, and ZIP code BROWNS VALLEY DENTAL 3257 BROWNS VALLEY ROAD NAPA, CA 94558					
d Employee's social security number REDACTED 4454					
e Employee's name, address, and ZIP code DONNA R DUPELL-MATHEWS REDACTED CALISTOGA, CA 94515					
7 Social security tips		8 Allocated tips		9 Advance EIC payment	
10 Dependent care benefits		11 Nonqualified plans		12a Code D 3481.59	
13 Statutory employee		14 Other CASDI 775.56		12b Code	
Retirement plan X				12c Code	
Third-party sick pay				12d Code	
CA 321 6506 0		68329.91		2343.93	
15 State Employer's state ID no.		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form W-2 Wage and Tax Statement **2005** Dept. of the Treasury -- IRS

Q171  
This information is being furnished to IRS. If you are required to file a tax return, a negligence penalty/other sanction may be imposed on you if this income is taxable & you fail to report it.

**Copy C--For EMPLOYEE'S RECORDS.**  
(See Notice to Employee.)

a Control number CA00031		1 Wages, tips, other comp. 68329.91		2 Federal income tax withheld 8694.99	
		3 Social security wages 71811.50		4 Social security tax withheld 4452.31	
b Employer ID no. (EIN) 68-0369062		5 Medicare wages and tips 71811.50		6 Medicare tax withheld 1041.27	

c Employer's name, address, and ZIP code  
BROWNS VALLEY DENTAL  
3257 BROWNS VALLEY ROAD  
NAPA, CA 94558

d Employee's social security number  
REDACTED 4454

e Employee's name, address, and ZIP code  
DONNA R DUPELL-MATHEWS  
REDACTED  
CALISTOGA, CA 94515

7 Social security tips		8 Allocated tips		9 Advance EIC payment	
10 Dependent care benefits		11 Nonqualified plans		12a Code See inst. for box 12 D 3481.59	
13 Statutory employee		14 Other CASDI 775.56		12b Code	
Retirement plan X				12c Code	
Third-party sick pay				12d Code	
CA 321 6506 0		68329.91		2343.93	
15 State Employer's state ID no.		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form W-2 Wage and Tax Statement **2005** Dept. of the Treasury -- IRS

5 BW24UP NTF 2581879 Copyright 2004 Greatland/Nelco		39-1908647	
Copy 2--To Be Filed With Employee's State, City, or Local Income Tax Return.			
a Control number CA00031		1 Wages, tips, other comp. 68329.91	
		2 Federal income tax withheld 8694.99	
b Employer ID no. (EIN) 68-0369062		3 Social security wages 71811.50	
		4 Social security tax withheld 4452.31	
		5 Medicare wages and tips 71811.50	
		6 Medicare tax withheld 1041.27	

c Employer's name, address, and ZIP code  
BROWNS VALLEY DENTAL  
3257 BROWNS VALLEY ROAD  
NAPA, CA 94558

d Employee's social security number  
REDACTED 4454

e Employee's name, address, and ZIP code  
DONNA R DUPELL-MATHEWS  
REDACTED  
CALISTOGA, CA 94515

7 Social security tips		8 Allocated tips		9 Advance EIC payment	
10 Dependent care benefits		11 Nonqualified plans		12a Code D 3481.59	
13 Statutory employee		14 Other CASDI 775.56		12b Code	
Retirement plan X				12c Code	
Third-party sick pay				12d Code	
CA 321 6506 0		68329.91		2343.93	
15 State Employer's state ID no.		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form W-2 Wage and Tax Statement **2005** Dept. of the Treasury -- IRS

REDACTED

PAL 0876



Form 1040

## U.S. Individual Income Tax Return 2004

(99) IRS Use Only — Do not write or staple in this space.

Label  
(See instructions.)Use the  
IRS label.  
Otherwise,  
please print  
or type.Presidential  
Election  
Campaign  
(See instructions.)

For the year Jan 1 - Dec 31, 2004, or other tax year beginning , 2004, ending , 20

Your first name MI Last name  
**ARTHUR J. MATHEWS**

If a joint return, spouse's first name MI Last name  
**DONNA R. MATHEWS**

Home address (number and street). If you have a P.O. box, see instructions.  
**REDACTED**

Apartment no.

City, town or post office. If you have a foreign address, see instructions.  
**CALISTOGA, CA 94515**

State ZIP code

OMB No. 1545-0074  
**REDACTED**

Spouse's social security number  
**7463**

**REDACTED 4454**

**Important!**  
You must enter your social security number(s) above.

Note: Checking 'Yes' will not change your tax or reduce your refund.  
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? ☒ Yes ☐ No ☒ Yes ☐ No

## Filing Status

Check only  
one box.

- 1 ☐ Single
- 2 ☒ Married filing jointly (even if only one had income)
- 3 ☐ Married filing separately. Enter spouse's SSN above & full name here . . .
- 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here . . .
- 5 ☐ Qualifying widow(er) with dependent child (see instructions)

## Exemptions

If more than  
four dependents,  
see instructions.

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.
- b ☒ Spouse.
- c Dependents:
- | (1) First name  | Last name       | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs) | No. of children on 6c who:  |
|-----------------|-----------------|--|-------------------------------------|---|---|
| <b>REDACTED</b> | <b>REDACTED</b> | <b>5489</b>                            | <b>SON</b>                          | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/> lived with you. . . .<br><input type="checkbox"/> did not live with you due to divorce or separation (see instrs). . . .<br>Dependents on 6c not entered above. |
- d Total number of exemptions claimed . . . . .
- Boxes checked on 6a and 6b. . . . . 2
- No. of children on 6c who: . . . . . 1
- Add numbers on lines above . . . . . 3

## Income

Attach Form(s)  
W-2 here. Also  
attach Forms  
W-2G and 1099-R  
if tax was withheld.If you did not  
get a W-2,  
see instructions.Enclose, but do  
not attach, any  
payment. Also,  
please use  
Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2. . . . . 7 50,468.

8a Taxable interest. Attach Schedule B if required. . . . . 8a 37.

b Tax-exempt interest. Do not include on line 8a. . . . . 8b

9a Ordinary dividends. Attach Schedule B if required. . . . . 9a

b Qualified divs (see instrs). . . . . 9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions). . . . . STATEMENT 2

11 Alimony received. . . . . 10 1,313.

12 Business income or (loss). Attach Schedule C or C-EZ. . . . . 11

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. . . . . 12

14 Other gains or (losses). Attach Form 4797. . . . . 13 50.

15a IRA distributions. . . . . 15a

b Taxable amount (see instrs) . . . . . 15b

16a Pensions and annuities . . . . . 16a

b Taxable amount (see instrs) . . . . . 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. . . . . 17 -7,300.

18 Unemployment compensation. . . . . 18

19 Social security benefits. . . . . 19

20a Other income FORM 2555 . . . . . 20a

b Taxable amount (see instrs) . . . . . 20b

22 Add the amounts in the far right column for lines 7 through 21. This is your total income. . . . . 21 -11,194.

23 Educator expenses (see instructions). . . . . 22 33,374.

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. . . . . 23

25 IRA deduction (see instructions). . . . . 24

26 Student loan interest deduction (see instructions). . . . . 25

27 Tuition and fees deduction (see instructions). . . . . 26

28 Health savings account deduction. Attach Form 8889. . . . . 27 360.

29 Moving expenses. Attach Form 3903. . . . . 28

30 One-half of self-employment tax. Attach Schedule SE. . . . . 29 6,563.

31 Self-employed health insurance deduction (see instrs). . . . . 30

32 Self-employed SEP, SIMPLE, and qualified plans. . . . . 31

33 Penalty on early withdrawal of savings. . . . . 32

34a Alimony paid b Recipient's SSN. . . . . 33

35 Add lines 23 through 34a. . . . . 34a

36 Subtract line 35 from line 22. This is your adjusted gross income. . . . . 35 6,923.

36 BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. . . . . 36 26,451.

Adjusted  
Gross  
Income

03-12345678910

FEB 2006

RECEIVED

POLICY BENEFIT

DEPARTMENT

c&c

REDACTED

FDIA0112L 11/10/04

Form 1040 (2004)

PAL 0882

SCHEDULE A

## Itemized Deductions

OMB No. 1545-0074

2004

07

▶ Attach to Form 1040.

▶ See Instructions for Schedule A (Form 1040).

Your social security number

REDACTED 463

(e) shown on Form 1040

ARTHUR J. AND DONNA R. MATHEWS

<b>Medical and Dental Expenses</b>		Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 37	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			0.
<b>Taxes You Paid</b>		5 State and local (check only one box):		5	1,322.
(See instructions.)		a <input checked="" type="checkbox"/> Income taxes, or		6	777.
		b <input type="checkbox"/> General sales taxes (see instructions)		7	108.
6	Real estate taxes (see instructions)	6			
7	Personal property taxes	7			
8	Other taxes. List type and amount ▶	8			
9	Add lines 5 through 8	9			2,207.
<b>Interest You Paid</b>		10 Home mtg interest and points reported to you on Form 1098		10	4,338.
(See instructions.)		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶		11	
				12	
				13	
<b>Note. Personal interest is not deductible.</b>		12 Points not reported to you on Form 1098. See instrs for spec rules		12	
		13 Investment interest. Attach Form 4952 if required. (See instrs.)		13	
14	Add lines 10 through 13	14			4,338.
<b>Gifts to Charity</b>		15 Gifts by cash or check. If you made any gift of \$250 or more, see instructions		15	1,658.
If you made a gift and got a benefit for it, see instructions.		16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500		16	635.
17	Carryover from prior year	17			
18	Add lines 15 through 17	18			2,293.
<b>Casualty and Theft Losses</b>		19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	0.
<b>Job Expenses and Most Other Miscellaneous Deductions</b>		20 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶		20	1,678.
(See instructions.)		FORM 2106 (TAXPAYER)		21	1,839.
		21 Tax preparation fees		21	
		22 Other expenses — investment, safe deposit box, etc. List type and amount ▶		22	
		23 Add lines 20 through 22		23	3,517.
		24 Enter amount from Form 1040, line 37		24	26,451.
		25 Multiply line 24 by 2% (.02)		25	529.
		26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	2,988.
		27 Other — from list in the instructions. List type and amount ▶		27	0.
<b>Total Itemized Deductions</b>		28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if MFS)?		28	11,826.
		<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39.			
		<input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.			

REDACTED

PAL 0883

SCHEDULE D

(Form 1040)

OMB No. 1545-0047

## Capital Gains and Losses

- ▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).  
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

2004

12

Your social security number

REDACTED 7463

(s) shown on Form 1040

ARTHUR J. AND DONNA R. MATHEWS

**Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less**

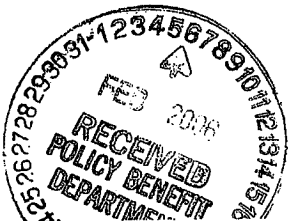
(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 PUTNAM NEW OPPORTUNITIES	1. 358Q VARIOUS	5/20/04	50.	0.	50.
2 Enter your short-term totals, if any, from Schedule D-1, line 2...	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).....	3		50.		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.....	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions.....	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).....	7				50.

**Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9....	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).....	10				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824.....	11				
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	12				
13 Capital gain distributions. See instrs.....	13				
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions.....	14				
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2.....	15				

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule D (Form 1040) 2004



FDIA0612L 11/02/04

REDACTED

PAL 0884



Schedule D (Form 1040) 2004 ARTHUR J. AND DONNA R. MATHEWS

REDACTED 7463

Page 2

**Summary**

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below.....

16

50.

17 Are lines 15 and 16 both gains?

☐ Yes. Go to line 18.

☒ No. Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions.....

18

19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions.....

19

20 Are lines 18 and 19 both zero or blank?

☐ Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040. Do not complete lines 21 and 22 below.

☐ No. Complete Form 1040 through line 42, and then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.

21 If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of:

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

21

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b?

☐ Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040.

☒ No. Complete the rest of Form 1040.

Schedule D (Form 1040) 2004

FDIA0612L 11/02/04  
REDACTED

PAL 0885



MODULE E

OMB No. 1545-0074

2004

13

Department of the Treasury  
Internal Revenue Service (99)

## Supplemental Income and Loss

(From rental real estate, royalties, partnerships,  
S corporations, estates, trusts, REMICs, etc)

▶ Attach to Form 1040 or Form 1041.

▶ See Instructions for Schedule E (Form 1040).

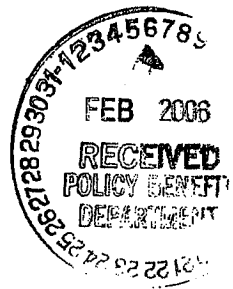
Your social security number

REDACTED 7463

Name(s) shown on return  
ARTHUR J. AND DONNA R. MATHEWS**Part I** **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). Report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	RENTAL PROPERTY REDACTED DONNER LAKE, CA				X
B	RENTAL PROPERTY REDACTED CALISTOGA				X
C					

Income:		Properties			Totals (Add columns A, B, and C.)	
		A	B	C		
3	Rents received .....	3	12,286.	11,200.	3	23,486.
4	Royalties received .....	4			4	
<b>Expenses:</b>						
5	Advertising .....	5				
6	Auto and travel (see instructions) .....	6				
7	Cleaning and maintenance .....	7	827.			
8	Commissions .....	8				
9	Insurance .....	9				
10	Legal and other professional fees .....	10				
11	Management fees .....	11				
12	Mortgage interest paid to banks, etc (see instructions) .....	12	9,629.	6,073.	12	15,702.
13	Other interest .....	13				
14	Repairs .....	14				
15	Supplies .....	15	152.			
16	Taxes .....	16	2,114.	763.		
17	Utilities .....	17	244.			
18	Other (list) ▶ AMORTIZATION PEST CONTROL PLUMBING AND ELECTRICAL TELEPHONE	18	101. 1,040. 1,846. 49.			
19	Add lines 5 through 18 .....	19	16,002.	6,836.	19	22,838.
20	Depreciation expense or depletion (see instructions) .....	20	5,148.	2,800.	20	7,948.
21	Total expenses. Add lines 19 and 20 .....	21	21,150.	9,636.		
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198. ....	22	-8,864.	1,564.		
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2. ....	23	-8,864.			
24	Income. Add positive amounts shown on line 22. Do not include any losses. ....	24			24	1,564.
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here. ....	25			25	-8,864.
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2. ....	26			26	-7,300.



BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule E (Form 1040) 2004

FDIZ2301L 05/12/04

REDACTED

PAL 0886

6251

## Alternative Minimum Tax -- Individuals

2004

32

Department of the Treasury  
Internal Revenue Service (99)  
Name(s) shown on Form 1040▶ See separate instructions.  
▶ Attach to Form 1040 or Form 1040NR.

Your social security number

REDACTED 7463

ARTHUR J. AND DONNA R. MATHES

**Part I Alternative Minimum Taxable Income** (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 40, and go to line 2. Otherwise, enter the amount from Form 1040, line 37, and go to line 7. (If less than zero, enter as a negative amount.)	1	14,625.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 2-1/2% of Form 1040, line 37.	2	
3	Taxes from Schedule A (Form 1040), line 9.	3	2,207.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions.	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 26.	5	2,988.
6	If Form 1040, line 37, is over \$142,700 (over \$71,350 if married filing separately), enter the amount from line 9 of the Itemized Deductions Worksheet in the Instructions for Schedules A and B (Form 1040).	6	
7	Tax refund from Form 1040, line 10 or line 21.	7	-1,313.
8	Investment interest expense (difference between regular tax and AMT).	8	
9	Depletion (difference between regular tax and AMT).	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount.	10	
11	Interest from specified private activity bonds exempt from the regular tax.	11	
12	Qualified small business stock (7% of gain excluded under section 1202).	12	
13	Exercise of incentive stock options (excess of AMT income over regular tax income).	13	
14	Estates and trusts (amount from Schedule K-1 (Form 1041), line 9).	14	
15	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6).	15	
16	Disposition of property (difference between AMT and regular tax gain or loss).	16	
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT).	17	
18	Passive activities (difference between AMT and regular tax income or loss).	18	1,344.
19	Loss limitations (difference between AMT and regular tax income or loss).	19	
20	Circulation costs (difference between regular tax and AMT).	20	
21	Long-term contracts (difference between AMT and regular tax income).	21	
22	Mining costs (difference between regular tax and AMT).	22	
23	Research and experimental costs (difference between regular tax and AMT).	23	
24	Income from certain installment sales before January 1, 1987.	24	
25	Intangible drilling costs preference.	25	
26	Other adjustments, including income-based related adjustments.	26	
27	Alternative tax net operating loss deduction.	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately, and line 28 is more than \$191,000, see instructions.)	28	19,851.

**Part II Alternative Minimum Tax**

29	Exemption. (If this form is for a child under age 14, see instructions.)														
	<table border="0"> <thead> <tr> <th>If your filing status is ...</th> <th>AND line 28 is not over ...</th> <th>THEN enter on line 29 ...</th> </tr> </thead> <tbody> <tr> <td>Single or head of household</td> <td>\$112,500</td> <td>\$40,250</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er)</td> <td>150,000</td> <td>58,000</td> </tr> <tr> <td>Married filing separately</td> <td>75,000</td> <td>29,000</td> </tr> </tbody> </table>	If your filing status is ...	AND line 28 is not over ...	THEN enter on line 29 ...	Single or head of household	\$112,500	\$40,250	Married filing jointly or qualifying widow(er)	150,000	58,000	Married filing separately	75,000	29,000	29	58,000.
If your filing status is ...	AND line 28 is not over ...	THEN enter on line 29 ...													
Single or head of household	\$112,500	\$40,250													
Married filing jointly or qualifying widow(er)	150,000	58,000													
Married filing separately	75,000	29,000													
	If line 28 is over the amount shown above for your filing status, see instructions.														
30	Subtract line 29 from line 28. If zero or less, enter -0- here and on lines 33 and 35 and stop here.	30	0.												
31	<ul style="list-style-type: none"> <li>If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 55 here.</li> <li>All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</li> </ul>	31													
32	Alternative minimum tax foreign tax credit (see instructions).	32													
33	Tentative minimum tax. Subtract line 32 from line 31.	33	0.												
34	Tax from Form 1040, line 43 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 46). If you used Schedule J to figure your tax, the amounts for lines 43 and 46 of Form 1040 must be refigured without using Schedule J (see instructions).	34													
35	Alternative minimum tax. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 44.	35	0.												

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIA5312L 11/24/04

Form 6251 (2004)

REDACTED

PAL 0887

2555-EZ

OMB No. 1545-1326

## Foreign Earned Income Exclusion

2004

34A

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to Form 1040.

Name(s) shown on Form 1040

Your social security number

DONNA R. MATHEWS

REDACTED 1454

You May Use  
This Form  
If You:

- Are a U.S. citizen or a resident alien.
- Earned wages/salaries in a foreign country.
- Had total foreign earned income of \$80,000 or less.
- Are filing a calendar year return that covers a 12-month period.

## And You:

- Do not have self-employment income.
- Do not have business/moving expenses.
- Do not claim the foreign housing exclusion or deduction.

## Part I Tests To See If You Can Take the Foreign Earned Income Exclusion

## 1 Bona Fide Residence Test

a Were you a bona fide resident of a foreign country or countries for a period that includes an entire tax year (see instructions)?

☐ Yes ☒ No

• If you answered 'Yes,' you meet this test. Fill in line 1b and then go to line 3.

• If you answered 'No,' you do not meet this test. Go to line 2 to see if you meet the Physical Presence Test.

b Enter the date your bona fide residence began ▶ \_\_\_\_\_, and ended (see instructions) ▶ \_\_\_\_\_

## 2 Physical Presence Test

a Were you physically present in a foreign country or countries for at least 330 full days during –

2004 or

any other period of 12 months in a row starting or ending in 2004?

☒ Yes ☐ No

• If you answered 'Yes,' you meet this test. Fill in line 2b and then go to line 3.

• If you answered 'No,' you do not meet this test. You cannot take the exclusion unless you meet the Bona Fide Residence Test above.

b The physical presence test is based on the 12-month period from ▶ 9/13/03 through ▶ 9/12/04

3 Tax Home Test. Was your tax home in a foreign country or countries throughout your period of bona fide residence or physical presence, whichever applies?

☒ Yes ☐ No

• If you answered 'Yes,' you can take the exclusion. Complete Part II below and then go to page 2.

• If you answered 'No,' you cannot take the exclusion. Do not file this form.

## Part II General Information

4 Your foreign address (including country)

REDACTED

SAN SEBASTIAN 20013, SPAIN

5 Your occupation

DENTAL HYGIENE

6 Employer's name

7 Employer's U.S. address (including ZIP code)

8 Employer's foreign address

CLINICA DENTAL URUMEA

PASEO RAMON MARIA LILI, 7D, 2002  
SAN SEBASTIAN, SPAIN

9 Employer is (check any that apply):

a A U.S. business

b A foreign business

c Other (specify) ▶ \_\_\_\_\_

☐  
☒  
☐

10 a If you filed Form 2555 or 2555-EZ after 1981, enter the last year you filed the form. ▶ 2003

b If you did not file Form 2555 or 2555-EZ after 1981, check here.. ▶ ☐ and go to line 11a now.

c Have you ever revoked the foreign earned income exclusion?

☐ Yes ☒ No

d If you answered 'Yes,' enter the tax year for which the revocation was effective. . . ▶ \_\_\_\_\_

11 a List your tax home(s) during 2004 and date(s) established. . ▶ SPAIN - 8/15/2003

b Of what country are you a citizen/national? ▶ U.S.A.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2555-EZ (2004)

REDACTED

PAL 0888

255-EZ (2004) DONNA R. MATHEWS

**Part II Days Present in the United States** — Complete this part if you were in the United States or its possessions during 2004.

(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)
8/08/04	CONTINUES	0	0.

**Part IV Figure Your Foreign Earned Income Exclusion**

13	Maximum foreign earned income exclusion .....	13	\$ 80,000.
14	Enter the number of days in your qualifying period that fall within 2004. ....	14	256 days
15	Did you enter 366 on line 14? .....	15	X 0.699
	<input type="checkbox"/> Yes. Enter '1.000.'		
	<input checked="" type="checkbox"/> No. Divide line 14 by 366 and enter the result as a decimal (rounded to at least three places). ]		
16	Multiply line 13 by line 15 .....	16	55,920.
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2004 (see instructions). Be sure to include this amount on Form 1040, line 7 .....	17	11,194.
18	Foreign earned income exclusion. Enter the smaller of line 16 or line 17 here and in parentheses on Form 1040, line 21. Next to the amount enter '2555-EZ.' On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 .....	18	11,194.

(ALLOCATION OF COMPENSATION) SEE STATEMENT 5

Form 2555-EZ (2004)





812

## Additional Child Tax Credit

OMB No. 1545-1620

2004

Attachment  
Sequence No. 47Department of the Treasury  
Internal Revenue Service (99)

Complete and attach to Form 1040 or Form 1040A.

Your social security number

REDACTED 7463

Name(s) shown on return  
ARTHUR J. AND DONNA R. MATHEWS**Part I All Filers**

1	Enter the amount from line 1 of your Child Tax Credit Worksheet in the Form 1040 or Form 1040A instructions. If you used Publication 972, enter the amount from line 8 of the worksheet on page 4 of the publication.	1	1,000
2	Enter the amount from Form 1040, line 51, or Form 1040A, line 33.	2	485
3	Subtract line 2 from line 1. If zero, stop; you cannot take this credit.	3	515
4a	Enter your total earned income. See the instructions.	4a	39,274.
4b	Nontaxable combat pay included on line 4a.	4b	
5	Is the amount on line 4a more than \$10,750? <input type="checkbox"/> No. Leave line 5 blank and enter -0- on line 6. <input checked="" type="checkbox"/> Yes. Subtract \$10,750 from the amount on line 4a. Enter the result.	5	28,524.
6	Multiply the amount on line 5 by 15% (.15) and enter the result. Next, do you have three or more qualifying children? <input checked="" type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.	6	4,279

**Part II Certain Filers Who Have Three or More Qualifying Children**

7	Enter the total of the withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see the instructions.	7	
8	1040 filers: Enter the total of the amounts from Form 1040, lines 30 and 58, plus any uncollected social security and Medicare or tier 1 RRTA taxes included on line 62.	8	
9	1040A filers: Enter -0-.	9	
10	1040 filers: Enter the total of the amounts from Form 1040, lines 65a and 66. 1040A filers: Enter the total of the amount from Form 1040A, line 41a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 43 (see instructions).	10	
11	Subtract line 10 from line 9. If zero or less, enter -0-.	11	
12	Enter the larger of line 6 or line 11 here. Next, enter the smaller of line 3 or line 12 on line 13.	12	

**Part III Your Additional Child Tax Credit**

13	This is your additional child tax credit.	13	51!
----	---	----	-----

Enter this amount on  
Form 1040, line 67, or  
Form 1040A, line 42.

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8812 (2004)

FDIA3001L 11/09/04

REDACTED

PAL 0890



2106-EZ

## Unreimbursed Employee Business Expenses

OMB No. 1545-1441

2004

54A

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040.

Your name

ARTHUR J. MATHEWS

Occupation in which you incurred expenses

TEACHER

Social security number

REDACTED 7463

## You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You do not get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2004.

Caution: You can use the standard mileage rate for 2004 only if: (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service or (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

## Part I Figure Your Expenses

1 Vehicle expense using the standard mileage rate. Complete Part II and multiply line 8a by 37.5¢ (.375).....	1	
2 Parking fees, tolls, and transportation, including train, bus, etc, that did not involve overnight travel or commuting to and from work.....	2	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment.....	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment.....	4	1,678.
5 Meals and entertainment expenses: \$ _____ x 50% (.50) (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 70% (.70) instead of 50%. For details, see instructions.).....	5	
6 Total expenses. Add lines 1 through 5. Enter here and on line 20 of Schedule A (Form 1040). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.).....	6	1,678.

## Part II Information on Your Vehicle. Complete this part only if you are claiming vehicle expense on line 1.

7 When did you place your vehicle in service for business use? (month, day, year)..... ▶ \_\_\_\_\_

8 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

a Business \_\_\_\_\_ b Commuting \_\_\_\_\_ c Other \_\_\_\_\_

9 Do you (or your spouse) have another vehicle available for personal use?..... ☐ Yes ☐ No

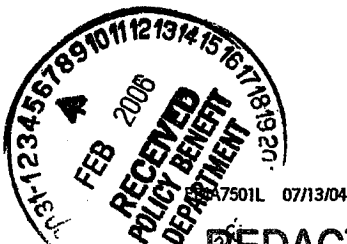
10 Was your vehicle available for personal use during off-duty hours?..... ☐ Yes ☐ No

11 a Do you have evidence to support your deduction?..... ☐ Yes ☐ No

b If 'Yes,' is the evidence written?..... ☐ Yes ☐ No

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2106-EZ (2004)



PAL 0891

8283

## Noncash Charitable Contributions

OMB No. 1545-0908

► Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.  
► See separate instructions.

55

Identifying number  
REDACTED 7463

Department of the Treasury  
Internal Revenue Service

Name(s) shown on your income tax return

ARTHUR J. AND DONNA R. MATHEWS

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

**Section A** — List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions).

**Part I Information on Donated Property** — If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property
A	ST HELENA CATHOLIC CHURCH 1340 TAINTER STREET ST HELENA, CA 94574-1944	CLOCK, RELIGIOUS ICONS, SUITCASE
B		
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (f) through (h).										
(c) Date of the contribution		(d) Date acquired by donor (mo, yr)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value				
A	10/10/04	VARIOUS	PURCHASE	1,000.	635.	THRIFT SHOP VALUE				
B										
C										
D										
E										

**Part II Other Information** — Complete line 2 if you gave less than an entire interest in property listed in Part I. Complete line 3 if conditions were attached to a contribution listed in Part I.

2 If, during the year, you contributed less than the entire interest in the property, complete lines a - e.

a Enter the letter from Part I that identifies the property ► . If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ..... ►  
(2) For any prior tax years ..... ►

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town

State ZIP code

d For tangible property, enter the place where the property is located or kept

e Name of any person, other than donee organization, having actual possession of the property ►

3 If conditions were attached to any contribution listed in Part I, answer questions a - c and attach the required statement (see instructions):

a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? .....

b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? .....

c Is there a restriction limiting the donated property for a particular use? .....

Yes	No

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ1834L 07/24/02

Form 8283 (Rev 10-98)

REDACTED

PAL 0892

OMB No. 1545-0062

**2004**

62

**3903****Moving Expenses**

▶ Attach to Form 1040.

Department of the Treasury  
Internal Revenue Service (99)  
Form 3903 shown on Form 1040

Your social security number

REDACTED 7463

**ARTHUR J. AND DONNA R. MATHEWS**

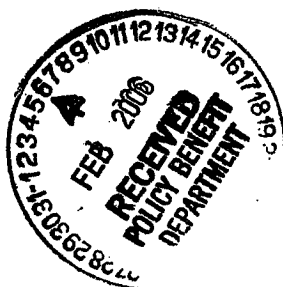
**Before you begin:**

- ✓ See the Distance Test and Time Test in the instructions to find out if you can deduct your moving expenses.
- ✓ If you are a member of the Armed Forces, see the instructions to find out how to complete this form.

1	Enter the amount you paid for transportation and storage of household goods and personal effects (see instructions).....	2,485.
2	Enter the amount you paid for travel and lodging in moving from your old home to your new home (see instructions). Do not include the cost of meals.....	4,078.
3	Add lines 1 and 2.....	6,563.
4	Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is not included in the wages box (box 1) of your Form W-2. This amount should be shown in box 12 of your Form W-2 with code P.....	
5	Is line 3 more than line 4?	
<input type="checkbox"/> No.	You cannot deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on Form 1040, line 7.	
<input checked="" type="checkbox"/> Yes.	Moving expense deduction. Subtract line 4 from line 3. Enter the result here and on Form 1040, line 29.....	6,563.

Form 3903 (2004)

BAA For Paperwork Reduction Act Notice, see separate instructions.





4562

OMB No. 1545-0172

# **Depreciation and Amortization** (Including Information on Listed Property)

2004

67

Department of the Treasury  
Internal Revenue Service

See separate instructions.  
Attach to your tax return.

Name(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Identifying number

REDACTED 7463

Business or activity to which this form relates

**SCHEDULE E (RENTAL) - RENTAL PROPERTY****Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.....	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation.....	3	\$410,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12.....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	
15	Property subject to section 168(f)(1) election (see instructions).....	15	
16	Other depreciation (including ACRS) (see instructions).....	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2004.....	17	2,800.
18	If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.....		

**Section B -- Assets Placed in Service During 2004 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C -- Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System**

20a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 40-year.....			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.....	22	2,800.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDZ0812L 09/30/04

Form 4562 (2004)

REDACTED

PAL 0894

4562

OMB No. 1545-0172

# **Depreciation and Amortization** (Including Information on Listed Property)

See separate instructions.  
Attach to your tax return.

2004

67

Identifying number  
REDACTED 7463

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Business or activity to which this form relates

## **SCHEDULE E (RENTAL) - RENTAL PROPERTY**

### **Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$410,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

### **Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	705.
15	Property subject to section 168(f)(1) election (see instructions).	15	
16	Other depreciation (including ACRS) (see instructions).	16	

### **Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

#### **Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2004.	17	4,302.
18	If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

#### **Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		704.	5	HY	200DB	141.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

#### **Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System**

20a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

### **Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	5,148.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

REDACTED

PAL 0895



562 (2004)

**Listed Property**

entertainment, recreation, or amusement, including, but not limited to, cellular telephones, certain computers, and property used for

**Note:** For any property for which you elect to use the straight-line depreciation rate or deducting lease expense, complete only 24a, 24b, columns (a) through (f), and Section C if applicable.

**Section A** *See instructions for limits for passenger automobiles.*

**24a** Do you have evidence to substantiate the cost of the property? **Yes** **No** **24b** If 'Yes,' is the evidence written? **Yes** **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Cost	(d) Depreciation method	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation election: If you elect to use special depreciation for property placed in service during the tax year and used more than 50% for business use (see instructions) <b>25</b>								
<b>26</b> Property used for qualified business use (see instructions):								
<b>27</b> Property used for qualified business use (see instructions):								
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 <b>28</b>								<b>29</b>
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 <b>29</b>								

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles – see instructions) .....						
<b>31</b> Total commuting miles driven during the year .....						
<b>32</b> Total other personal (noncommuting) miles driven .....						
<b>33</b> Total miles driven during the year. Add lines 30 through 32 .....						
	Yes	No	Yes	No	Yes	No
<b>34</b> Was the vehicle available for personal use during off-duty hours? .....						
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? .....						
<b>36</b> Is another vehicle available for personal use? .....						

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? .....		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners .....		
<b>39</b> Do you treat all use of vehicles by employees as personal use? .....		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? .....		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (see instructions) .....		

**Note:** If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2004 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2004 tax year .....					<b>43</b> 101.
<b>44</b> Total. Add amounts in column (f). See instructions for where to report .....					<b>44</b> 101.

FDZ0812L 09/30/04

Form 4562 (2004)

REDACTED

PAL 0896

Department of the Treasury  
Internal Revenue Service▶ Attach to Form 1040 or Form 1040A.  
▶ See instructions.**2004**

129

Name(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Your social security number

REDACTED 7463

**CAUTION:** You cannot take this credit if either of the following applies.

- The amount on Form 1040, line 37, or Form 1040A, line 22, is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1987, (b) is claimed as a dependent on someone else's 2004 tax return, or (c) was a student (see instructions).

	(a) You	(b) Your spouse
1 Traditional and Roth IRA contributions for 2004. Do not include rollover contributions.....	1	
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2004 (see instructions).....	2	475.
3 Add lines 1 and 2.....	3	475.
4 Certain distributions received after 2001 and before the due date (including extensions) of your 2004 tax return (see instructions). If married filing jointly, include both spouses' amounts in both columns. See instructions for an exception.....	4	
5 Subtract line 4 from line 3. If zero or less, enter -0.....	5	475.
6 In each column, enter the smaller of line 5 or \$2,000.....	6	475.
7 Add the amounts on line 6. If zero, stop; you cannot take this credit.....	7	475.
8 Enter the amount from Form 1040, line 37*, or Form 1040A, line 22.....	8	37,645.
9 Enter the applicable decimal amount shown below:		

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
---	\$15,000	Enter on line 9—		
\$15,000	\$16,250	.5	.5	.5
\$16,250	\$22,500	.5	.5	.2
\$22,500	\$24,375	.5	.5	.1
\$24,375	\$25,000	.5	.2	.1
\$25,000	\$30,000	.5	.1	.1
\$30,000	\$32,500	.2	.1	.0
\$32,500	\$37,500	.1	.1	.0
\$37,500	\$50,000	.1	.0	.0
\$50,000	---	.0	.0	.0

Note: If line 9 is zero, stop; you cannot take this credit.

10 Multiply line 7 by line 9.....	10	48.
11 Enter the amount from Form 1040, line 45, or Form 1040A, line 28.....	11	533.
12 Enter the total of your credits from Form 1040, lines 46 through 49, or Form 1040A, lines 29 through 31.....	12	
13 Subtract line 12 from line 11. If zero, stop; you cannot take this credit.....	13	533.
14 Credit for qualified retirement savings contributions. Enter the smaller of line 10 or line 13 here and on Form 1040, line 50, or Form 1040A, line 32.....	14	48.

\*See Publication 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8880 (2004)



FDIA9501L 02/08/05

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PAL 0897



1/21/04

## 2004 FEDERAL DEPRECIATION SCHEDULE

ARTHUR J. AND DONNA R. MATHEWS

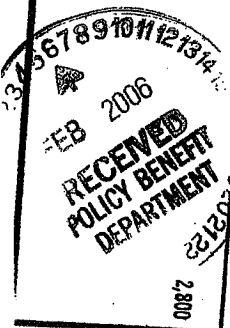
PAGE 1

REDACTED/463

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. ACT.	CUR. BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL. DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
<b>SCHEDULE E - RENTAL PROPERTY</b>																
<b>AMORTIZATION</b>																
3	LOAN FEES	11/28/02		2,140							2,140	71	S/L	30		71
4	POINTS	11/29/02		900							900	30	S/L	30		30
<b>TOTAL AMORTIZATION</b>																
	BUILDINGS			3,040		0	0	0	0	0	3,040	101				101
2	BUILDING	10/01/98		118,305							118,305	4,302	S/L	MM	27.5 .03636	4,302
<b>TOTAL BUILDINGS</b>																
	MACHINERY AND EQUIPMENT			118,305		0	0	0	0	0	118,305	4,302				4,302
7	EQUIPMENT	1/01/04		1,409							1,409	705	200DB	HY	5 .20000	141
<b>TOTAL MACHINERY AND EQUIPMENT</b>																
	TOTAL DEPRECIATION			119,714		0	705	0	0	0	704	0				141
<b>SCHEDULE E - RENTAL PROPERTY</b>																
<b>BUILDINGS</b>																
5	BUILDING - CALISTOGA	8/01/03		77,000							77,000	1,050	S/L	MM	27.5 .03636	2,800
<b>TOTAL BUILDINGS</b>																
				77,000		0	0	0	0	0	77,000	1,050				2,800

REDACTED

PAL 0898



12/31/04

## 2004 FEDERAL DEPRECIATION SCHEDULE

ARTHUR J. AND DONNA R. MATHEWS

PAGE 2  
REDACTED

7463

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
6 LAND - CALISTOGA																
	TOTAL LAND			33,000							33,000					0
	TOTAL DEPRECIATION			110,000		0	0	0	0	0	33,000	0				0
FORM 2106 - ARTHUR J. MATHEWS (TEACHER)																
MACHINERY AND EQUIPMENT																
1 COMPUTER																
		4/23/03		1,100	85.00			281			654	109	S/L	HY	3	.33330
	TOTAL MACHINERY AND EQUIPME			1,100		0	0	281	0	0	654	109				218
	TOTAL DEPRECIATION			1,100		0	0	281	0	0	654	109				218
	GRAND TOTAL AMORTIZATION			3,040		0	0	0	0	0	3,040	101				218
	GRAND TOTAL DEPRECIATION			230,814		0	705	281	0	0	229,663	5,461				7,461

REDACTED



12/31/04

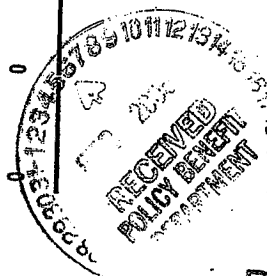
## 2004 FEDERAL ALTERNATIVE MINIMUM TAX DEPRECIATION SCHEDULE

PAGE 1

ARTHUR J. AND DONNA R. MATHEWS

REDACTED/7463

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	AMT BASIS	AMT PRIOR DEPR	AMT METHOD	AMT LIFE	AMT RATE	AMT DEPR	REG. DEPR	CHG. IN BASIS	CHG. IN DEPR
SCHEDULE E - RENTAL PROPERTY												
BUILDINGS												
2	BUILDING	10/01/98		118,305	2,958	S/L MM	40	.02500	2,958	4,302	1,344	
	TOTAL BUILDINGS			118,305	2,958				2,958	4,302	1,344	0
	MACHINERY AND EQUIPMENT											
7	EQUIPMENT	1/01/04		704		200DB HY	5	.20000	141	141		
	TOTAL MACHINERY AND EQUIPME			704	0				141	141	0	0
	TOTAL DEPRECIATION			118,009	2,958				3,099	4,443	1,344	0
SCHEDULE E - RENTAL PROPERTY												
BUILDINGS												
5	BUILDING - CALISTOGA	8/01/03		77,000	1,050	S/L MM	27.5	.03636	2,800	2,800	0	0
	TOTAL BUILDINGS			77,000	1,050				2,800	2,800	0	0
	LAND											
6	LAND - CALISTOGA			33,000					0	0		
	TOTAL LAND			33,000	0				0	0	0	0
	TOTAL DEPRECIATION			110,000	1,050				2,800	2,800	0	0



REDACTED





Department of the Treasury — Internal Revenue Service

# 1040 U.S. Individual Income Tax Return 2003

(99) IRS Use Only — Do not write or staple in this space.

OMB No. 1545-0074

For the year Jan 1 - Dec 31, 2003, or other tax year beginning , 2003, ending , 20

Your first name MI Last name  
**ARTHUR J. MATHEWS**

Your social security number  
**REDACTED 7463**

If a joint return, spouse's first name MI Last name  
**DONNA R. MATHEWS**

Spouse's social security number  
**REDACTED 4454**

Home address (number and street). If you have a P.O. box, see instructions. Apartment no.  
**REDACTED**

City, town or post office. If you have a foreign address, see instructions. State ZIP code  
**CALISTOGA, CA 94515**

**Important!**  
You must enter your social security number(s) above.

Note: Checking 'Yes' will not change your tax or reduce your refund.  
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? ☒ Yes ☐ No ☒ Yes ☐ No

**Filing Status**

1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here

5 ☐ Qualifying widow(er) with dependent child. (See instructions.)

**Exemptions**

6a ☒ Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a. No. of boxes checked on 6a and 6b. **2**

b ☒ Spouse. No. of children on 6c who:

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	<input type="checkbox"/> lived with you. ....	<input type="checkbox"/> did not live with you due to divorce or separation (see instrs) ...
<b>REDACTED</b>	<b>REDACTED</b>	<b>5489</b>	<b>SON</b>	<input checked="" type="checkbox"/>	<b>1</b>	
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		

Add numbers on lines above. **3**

d Total number of exemptions claimed **3**

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2. **77,074.**

8a Taxable interest. Attach Schedule B if required. **14.**

b Tax-exempt interest. Do not include on line 8a. **8b**

9a Ordinary dividends. Attach Schedule B if required. **9a**

b Qualify div (see instrs). **9b**

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions). **1,187.**

11 Alimony received. **11**

12 Business income or (loss). Attach Schedule C or C-EZ. **12**

13a Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. ☐ **13a**

b If box on 13a is checked, enter net long-term capital gain distributions. **13b**

14 Other gains or (losses). Attach Form 4797. **14**

15a IRA distributions. **15a** b Taxable amount (see instrs) **15b**

16a Pensions and annuities. **16a** b Taxable amount (see instrs) **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. **17 -16,479.**

18 Farm income or (loss). Attach Schedule F. **18**

19 Unemployment compensation. **19**

20a Social security benefits. **20a** b Taxable amount (see instrs) **20b**

21 Other income FORM 2555 **21 -1,576.**

22 Add the amounts in the far right column for lines 7 through 21. This is your total income. **22 60,220.**

**Adjusted Gross Income**

23 Educator expenses (see instructions). **23**

24 IRA deduction (see instructions). **24**

25 Student loan interest deduction (see instructions). **25**

26 Tuition and fees deduction (see instructions). **26 3,000.**

27 Moving expenses. Attach Form 3903. **27 12,124.**

28 One-half of self-employment tax. Attach Schedule SE. **28**

29 Self-employed health insurance deduction (see instrs). **29**

30 Self-employed SEP, SIMPLE, and qualified plans. **30**

31 Penalty on early withdrawal of savings. **31**

32a Alimony paid b Recipient's SSN. **32a**

33 Add lines 23 through 32a. **33 15,124.**

34 Subtract line 33 from line 22. This is your adjusted gross income. **34 45,096.**

REDACTED

(Do not detach)

Notice to  
ApplicantTo Be  
Completed  
by the IRS

- ☒ We have approved your application.  
☐ We have not approved your application.  
 However, we have granted a 10-day grace period to \_\_\_\_\_. This grace period is  
 considered a valid extension of time for elections otherwise required to be made on a timely return.  
☐ We have not approved your application. After considering the information you provided in item 2 above, we cannot grant  
 your request for an extension of time to file. We are not granting a 10-day grace period.  
☐ We cannot consider your application because it was filed after the due date of your return.  
☐ Other \_\_\_\_\_

Director

Date

Return  
Label  
(Please  
type or  
print)

Taxpayer's name (and agent's name, if applicable). If a joint return, also give spouse's name.

ARTHUR J. MATHEWS  
 DONNA R. MATHEWS  
 KHOO & COMPANY, INC.

Number and street (include suite, room, or apt. no.) or P.O. box number

2240 UNION STREET, SUITE 101

City, town or post office

State

ZIP Code

SAN FRANCISCO, CA 94123

Taxpayer's social security number

Redacted  
 7463

Spouse's social security number

Redacted  
 4454

Agents:

Always include taxpayer's name on return label.

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

FDIA3401L 08/22/03

Form 2688 (2003)



REDACTED

PAL 0903